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In the Supreme Court of the United States

OCTOBER TERM, 1994

UNITED STATES OF AMERICA, ET AL., PETITIONERS

v.

THE CHESAPEAKE AND POTOMAC TELEPHONE
COMPANY OF VIRGINIA, ET AL.

ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

**SUPPLEMENTAL MEMORANDUM FOR THE
PETITIONERS**

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This supplemental memorandum is submitted pursuant to this Court's Rule 15.7. In our petition for a writ of certiorari, we informed the Court (at pages 14-15) that the Congress was considering telecommunications legislation to authorize local telephone companies (LECs) to offer video programming in their service areas. On June 16, 1995, the Senate passed a bill that would comprehensively revise the regulation of cable television systems. 141 Cong. Rec. S8570-S8594 (daily ed. June 16, 1995).

The bill passed by the Senate would repeal the current cross-ownership ban codified in 47 U.S.C. 533(b). The bill would expressly permit LECs to

provide video programming to subscribers through a common carrier video platform, or video dialtone system, without being subject to Title VI of the Communications Act of 1934, regulating cable systems. See 141 Cong. Rec. S8577 (daily ed. June 16, 1995). The bill would also prohibit LECs from "purchas[ing] or otherwise acquir[ing]" more than a 10% financial interest in incumbent cable operators providing cable services in their telephone service areas, *id.* at S8578, although that rule would be subject to an exception for nonurbanized areas, and could be waived by the Federal Communications Commission if "the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served," *ibid.*

Respectfully submitted.

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JUNE 1995